

Renegotiated terms for the conditional private placement to KKR; KKR will make a revised conditional offer of NOK 26 per share to all shareholders

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, NEW ZEALAND, THE REPUBLIC OF SOUTH AFRICA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER OF ANY OF THE SECURITIES DESCRIBED HEREIN.

27 May 2020: Reference is made to the announcement by Avida Holding AB (publ) (“Avida”) on 20 February 2020 regarding (a) the resolution on a conditional private placement of 9,090,909 new shares in Avida at a subscription price of NOK 33 per share, raising gross proceeds of approximately NOK 300 million to: (i) Eckern Finans Holding AB (formerly Aktiebolaget Grundstenen 165954), an investment vehicle controlled by certain funds, client and accounts (“KKR Funds”) managed or advised by KKR Credit Advisors (US) LLC (“KKR Bidco”); and (ii) FSK Eckern Finans Holding AB (formerly Aktiebolaget Grundstenen 165953), an investment vehicle controlled by certain funds, clients and accounts (“FSK Funds”) managed or advised by FS/KKR Advisor, LLC (“FSK Bidco”; and together with KKR Bidco, “KKR”), pursuant to a subscription agreement (the “Subscription Agreement”); and (b) the conditional offer by KKR to acquire shares in Avida at NOK 33 per share (the “Conditional Offer”), as well as subsequent announcements of 26 February 2020 and 11 March 2020 regarding the launch and expiry of the offer period of the Conditional Offer.

After a period of discussions, Avida received on 22 May 2020 a notice from KKR stating KKR's anticipation to terminate the Subscription Agreement based on alleged breaches of certain of the warranties by Avida under the Subscription Agreement. The alleged warranty breaches are, among others, related to the termination of a forward flow loan purchase agreement between Avida and a Nordic loan portfolio buyer. In its notice KKR also invited Avida to engage in discussions to explore whether there could be a basis for agreeing on a new revised transaction on amended terms.

Avida's board of directors has after these discussions concluded that a commercial settlement is in the best interest of the company and the other involved stakeholders and has therefore negotiated and signed a revised subscription agreement (“RSA”) that will be put to the shareholders to vote on at an extraordinary general meeting. The board's decision is based on an overall assessment of matters such as risk and cost of a legal process, Avida's future needs for financing of further growth and the prospect of partnering with a reputable investor such as KKR.

Under the RSA, KKR will still subscribe for 9,090,909 new shares in Avida. However, the subscription price per share has been reduced from NOK 33 to NOK 26, resulting in Avida raising gross proceeds of approximately NOK 236 million (the “Private Placement”). The net proceeds from the Private Placement will be used to strengthen Avida's capital situation at a time of significant uncertainties and with attractive growth opportunities in the markets.

As a result of the RSA being entered into, the Subscription Agreement is automatically terminated and Avida has now received a final notice of termination of the Subscription Agreement from KKR. This implies that the conditions for completion of the Conditional Offer have not been fulfilled, and the Conditional Offer has accordingly been terminated. Consequently, any Avida shares

tendered under the Conditional Offer will be released to the accepting shareholders with immediate effect. A further result of the RSA being entered into is that KKR Bidco and FSK Bidco has agreed to launch a revised conditional offer for all shares in Avida for NOK 26 per share (the "Offer"), equivalent to the subscription price in the Private Placement. The Offer will be made to all shareholders of Avida except for Andenes Investments S.L. and Midelfart Capital AS. Further announcements regarding the Offer will be made by KKR in due course.

The completion of the Private Placement in accordance with the RSA and completion of the Offer are subject to satisfaction, or waiver by each of KKR Bidco and FSK Bidco acting in their sole discretion, on or before 26 November 2020, of regulatory approvals and other customary closing conditions, as well as that an extraordinary general meeting of Avida (contemplated to be held on 12 June 2020, i.e. on the same date as the annual general meeting of Avida) resolves by 2/3 majority vote upon a specific authorization for the board of directors to issue shares in the Private Placement to KKR. If such authorization is not granted by the extraordinary general meeting, the RSA and Offer will terminate and be without further force and effect. Further announcements regarding the extraordinary general meeting will be made in due course.

Following registration of the new share capital pertaining to the Private Placement, Avida will have 70,576,359 shares outstanding, each with a quota (par) value of SEK 0.10.

Avida's wholly owned subsidiary Avida Finans AB (publ) has listed bonds on Nasdaq Stockholm. Consequently, this information is information that Avida Finans AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact persons set out below, at 02:00 CET on 27 May 2020.

For further information please contact:

Geir Langfeldt Olsen, Chairman of Avida, Telephone: +34 637 496 224. E-mail: geir@andenesinvestments.com

Tord Topsholm, CEO at Avida, Telephone: +46 72-402 44 35. E-mail: tord.topsholm@avida.se

About Avida

Avida is a credit market company that since the start in 1983 has focused on offering loans to individuals and corporates. We are currently about 120 employees, with headquarters in Stockholm and offices in Oslo and Helsinki. We are building a high growth and high-quality business that will not tail off in growth and we have a growth target of SEK10bn loan book by 2020. At Avida we are not like everybody else in this business, we will always go that extra mile to help our customers turn their plans into reality and we promise that we always give our customer the proper attention and the chance to get the financing they need.

Avida is under the supervision of the Swedish Financial Supervisory Authority and our share is listed on NOTC, Oslo stock exchange and like all Swedish banks and credit market companies, we are covered by the state deposit insurance.

Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be

subject to restrictions. The recipients of this press release in such jurisdictions, in which this press release has been released, announced or distributed, should inform themselves of and follow such restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Avida in any jurisdiction, neither from Avida nor from someone else.

This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Private Placement must be made on the basis of all publicly available information relating to Avida and the Avida's shares. Such information has not been independently verified by any advisor of Avida. The information contained in this press release is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this press release or its accuracy or completeness.

This press release does not constitute a recommendation concerning any investor's option with respect to the Private Placement. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this press release and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933 (the "Securities Act"), as amended, and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into, Australia, Canada, Japan, Hong Kong, New Zealand, Singapore, South Africa, Switzerland, the United States or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. Avida has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Private Placement. In any EEA Member State, this communication is only addressed to and is only directed at a limited selected number of existing shareholders and qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this press release and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons

together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Avida have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in Avida may decline and investors could lose all or part of their investment; the shares in Avida offer no guaranteed income and no capital protection; and an investment in the shares in Avida is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Private Placement.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Avida.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Avida and determining appropriate distribution channels.